



PDR

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20585-0001

December 9, 1996

Citizens Regulatory Commission
Steering Committee
180 Great Neck Road
Waterford, Connecticut 06385

Dear Citizens Group:

I am responding to your letter of October 9, 1996, regarding the Millstone Nuclear Power Station in Waterford, Connecticut. Your letter expressed concerns about the Nuclear Regulatory Commission's (NRC's) oversight at Millstone and the Independent Corrective Action Verification Program (ICAVP) imposed at Millstone by the NRC's Order of August 14, 1996.

The Commission fundamentally agrees with your view on the importance of a thorough and independent ICAVP process. In order to ensure this, the August 14, 1996 Confirmatory Order and the NRC oversight activities at Millstone have been structured to provide for both close scrutiny by the NRC and public openness. The NRC will oversee the ICAVP process carefully to ensure the quality and independence of the reviews. Although we recognize the potential for a bias on the part of any contractor selected for the ICAVP, the NRC will review and approve the organization and individual members selected for the ICAVP team. The factors that will be considered in evaluating the independence of each team member will include, but not be limited to, whether the individual has been involved in design reviews for the licensee and whether the individual has any financial interest in Northeast Utilities. The NRC also will evaluate and approve the ICAVP organization's review plan before it is implemented. The ICAVP team concurrently will report its findings to the NRC and the licensee and will be required to comment on the licensee's proposed resolution of the team's findings. To help ensure independence, the ICAVP team will conduct its reviews, to the extent feasible, in the contractor's offices and not at the Millstone site. A protocol being developed by the NRC will be used to control contact between the ICAVP team and the licensee. An NRC plan for ICAVP oversight, including measures for protecting the list of selected systems before the start of the ICAVP reviews, is being prepared by the NRC staff. The staff will submit this plan to the Commission before it is implemented.

The ICAVP and all of the NRC activities relating to the Millstone oversight process will continue to be open processes. The Nuclear Energy Advisory Council (NEAC) and the State of Connecticut have been invited to observe ICAVP implementation at the Millstone site. The Council has designated two of its members as observers and has named two alternates. These individuals will be kept apprised of NRC oversight of the ICAVP activities so that they can observe them. ICAVP team findings will be made available to members of the Council and the public. We also understand that the NEAC has created a

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subcommittee, which includes members of the public, to review the independence of the ICAVP contractor proposed by the utility. The NRC will make the final decision regarding the suitability of the contractor organization and individuals selected to conduct the ICAVP. However, any comments or observations by the NEAC subcommittee will be taken into consideration.

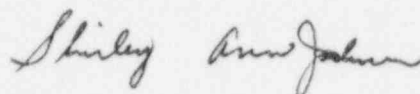
The NRC plans to continue to meet periodically with the public on the status of the ICAVP, thereby providing a forum for public comment. For example, on September 24, 1996, members of the NRC staff met publicly with the licensee at the Millstone site and then met directly with the public that evening at the Waterford Town Hall to discuss the ICAVP. The NRC staff also met publicly with the Council on the evening of October 10, 1996, regarding the ICAVP. Additional public sessions will be scheduled as warranted by developments.

In addition to the ICAVP, the NRC recently issued an order requiring Northeast Utilities to prepare and submit a plan addressing employee concerns. The order also requires the utility to retain a second independent organization to oversee and report on implementation of that plan.

To focus additional regulatory attention on activities at Millstone, including the ICAVP, the NRC has established a Special Projects Office within the Office of Nuclear Reactor Regulation. This new office will be managed by Dr. William D. Travers. In addition to licensing and inspection activities, the Special Projects Office will be responsible for (1) oversight of the ICAVP, (2) oversight of corrective actions by Northeast Utilities related to safety issues involving employee concerns, and (3) inspections necessary to implement NRC oversight of the plant's restart activities. The Special Projects Office also will have responsibility for regulatory activities at the Haddam Neck plant unless Northeast Utilities decides to shut down the plant permanently.

The Commission appreciates the comments and concerns expressed in your recent letter. We believe that the current ICAVP process as detailed in the August 14, 1996 Order, combined with other activities providing for public openness, are sufficient to ensure an independent process. We are committed to ensuring that the activities at Millstone, including the ICAVP and our regulatory oversight programs, are conducted in a thorough and open manner. To that end, the Commission plans to meet publicly with Northeast Utilities on a quarterly basis with the first meeting planned for late January. The NRC staff will continue to keep you apprised of developments concerning Millstone. If you have any further comments, questions, or concerns, please contact Dr. Travers at (301) 415-8500.

Sincerely,



Shirley Ann Jackson